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OFFICIAL RECORDS

Requested By:
HEATON LTD

DOUGLAS COUNTY RECORDERS
Karen Ellison - Recorder

Page: 1 of 8 Fee: \$ 21.00

Bk: 0913 Pg: 6229



Deputy: ar

The undersigned hereby affirm that this document submitted for recording does not contain personal information of any person or persons.

A.P.N. 1318-03-110-008

When Recorded Return to:

✓ Scott J. Heaton
Heaton, Ltd.
P.O. Box 605
Carson City, NV 89702

DEED OF TRUST

THIS DEED OF TRUST, made this 24th day of September, 2013, by and between JOHN SERPA, SR., hereinafter called "TRUSTOR" and whose address is Post Office Box 1724, Carson City, Nevada 89702, and NORTHERN NEVADA TITLE COMPANY, hereinafter called "TRUSTEES", and HORSE CREEK, LLC, a Nevada Limited Liability Company, hereinafter called "BENEFICIARY",

W I T N E S S E T H:

That Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property in County of Douglas, State of Nevada, described as follows to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) payment of the sum of \$2,000,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor incorporated by reference or contained therein.

TO HAVE AND TO HOLD the said premises, together with all the improvements, tenements, hereditaments, and appurtenances thereto belonging, unto the said Trustee, and it its successors and assigns, subject only to existing encumbrances of record.

IN AND UPON THE USES AND TRUST, HEREINAFTER DECLARED, that is to say:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. Trustor covenants to keep all buildings that may now or at any time be on said property during the continuance of this trust in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

4. To pay at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, water rights and grazing privileges; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be

prior or superior hereto, and all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien in which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at two percent (2%) per annum.

6. That if the Trustor shall sell, convey or alienate said property, or any part thereof, or shall enter into any agreement for the same, or any interest therein, or shall be divested of title in any manner or way, whether voluntary or involuntary, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any notice evidencing the same, at the option of the holder hereof, and

without demand or notice, shall immediately become due and payable. In the event the Trustor sells or otherwise disposes of the property the subject hereof and Beneficiary does not accelerate the indebtedness secured hereby, the new owner shall assume all obligations of this Deed of Trust and the obligations which it secures.

7. That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

8. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs

and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

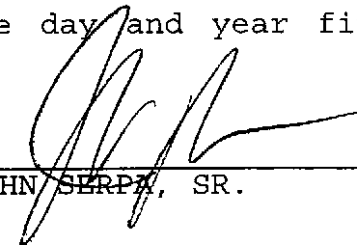
9. The following covenants, Nos. 1, 2 (amount of insurance on improvements shall be at least the sum of \$1,100,000.00), 3, 4 (interest 2%), 5, 6, 7 (counsel fees 5%), 8 and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

10. The covenants and conditions herein contained shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto.

11. The Trusts created herein are irrevocable.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to it at its address hereinbefore set forth.

IN WITNESS WHEREOF, the Trustor has hereunto caused its execution of this Deed of Trust the day and year first above written.



JOHN SERPA, SR.

STATE OF NEVADA)
) ss:
CARSON CITY)

On September 24, 2013, personally appeared before me,
a Notary Public, JOHN SERPA, SR., who acknowledged that he executed
the foregoing instrument.

T. Peterson

Notary Public

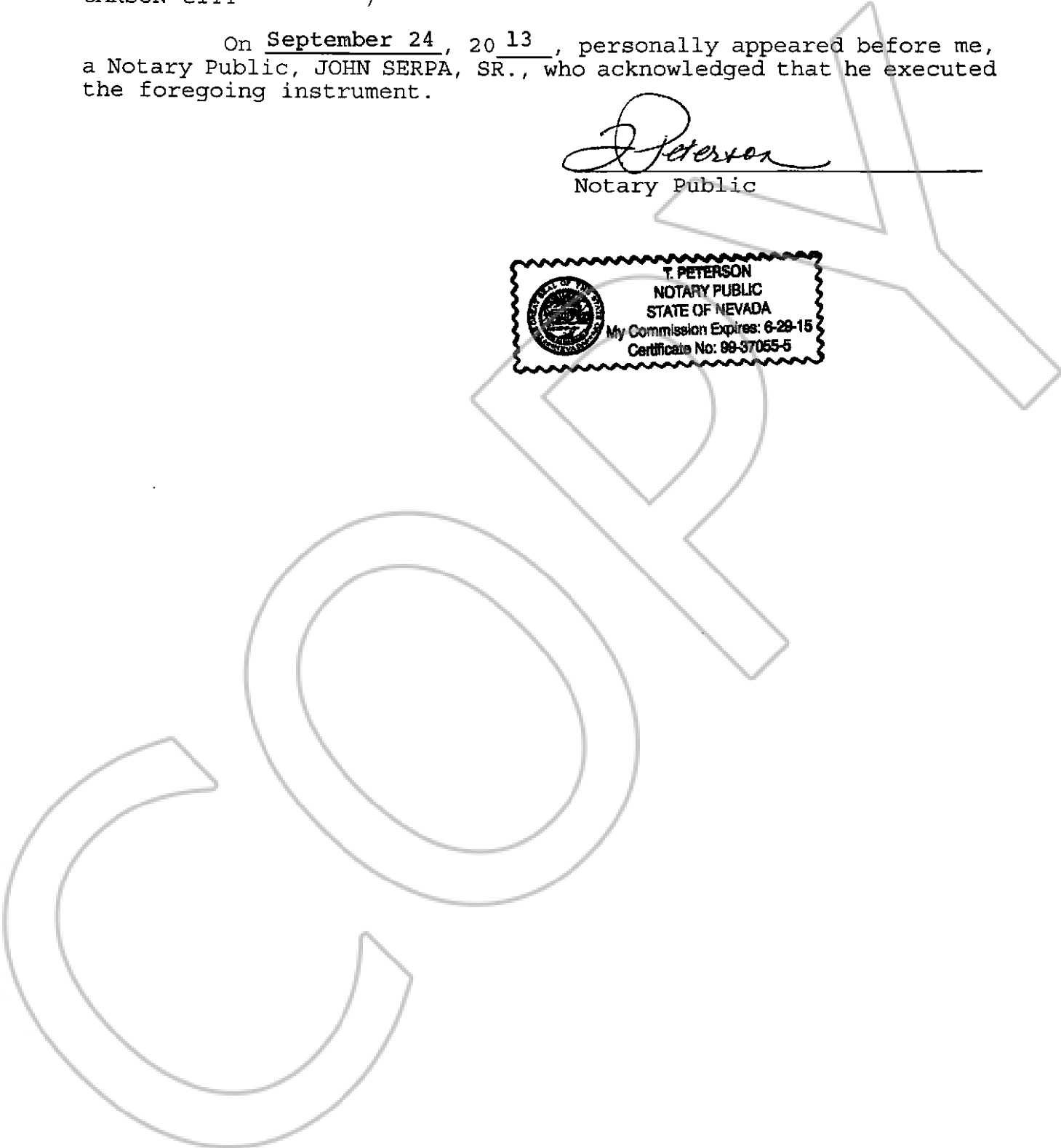
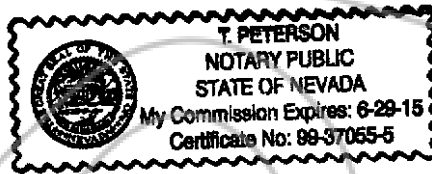


EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of DOUGLAS unincorporated area described as follows:

PARCEL 1:

Lot 5, as shown on the map entitled SKYLAND SUBDIVISION NO. 1, filed for record in the Office of the County Recorder of Douglas County, Nevada, on February 27, 1958, as Document No. 12967.

Assessors Parcel No. 1318-03-110-008

PARCEL 2:

TOGETHER WITH a non-exclusive right-of-way for access to the waters of Lake Tahoe and for beach and recreational purposes as set forth in Deed recorded February 5, 1960, in Book 1, Page 268, File No. 15573, Official Records.